

**Fiscal  
Year  
2014**

**The Low Income Home Energy Assistance Program  
(LIHEAP)**

**Detailed State Plan**

**Submitted To:  
U. S. Department of Health and Human Services  
Administration for Children  
Office of Community Services**

**August 2013**

**Administered By:  
Massachusetts Department of Housing  
and Community Development**

DRAFT

Grantee: Commonwealth of Massachusetts

FFY 2014

**DETAILED MODEL PLAN**

**PUBLIC LAW 97-35, AS AMENDED**

**FISCAL YEAR (FY)** 2014

**GRANTEE** Commonwealth of Massachusetts

**EIN:** 1-046002284-K4

**ADDRESS** Department of Housing and Community Development

100 Cambridge Street, Suite 301

Boston, MA 02114

**NAME OF LIHEAP COORDINATOR:** Gerald Bell, Manager Community Services Unit

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**PLEASE CHECK ONE: TRIBE** \_\_\_\_\_ **STATE** XX **INSULAR AREA** \_\_\_\_\_

**Department of Health and Human Services  
Administration for Children and Families  
Office of Community Services  
Washington, DC 20447**

August 1987, revised 05/92, 02/95, 03/96, 12/98, 11/01

**OMB Approval No. 0970-0075**

**Expiration Date: 04/30/2014**

THE PAPERWORK REDUCTION ACT OF 1995 (Pub. L. 104-13)

Use of this model plan is optional. However, the information requested is required in order to receive a Low Income Home Energy Assistance Program (LIHEAP) grant in years in which the grantee is not permitted to file an abbreviated plan. Public reporting burden for this collection of information is estimated to average 1 hour per response, including the time for reviewing instructions, gathering and maintaining the data needed, and reviewing the collection of information. An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB control number.

Assurances

The Commonwealth of Massachusetts agrees to:  
(Grantee Name)

(1) use the funds available under this title to--

(A) conduct outreach activities and provide assistance to low income households in meeting their home energy costs, particularly those with the lowest incomes that pay a high proportion of household income for home energy, consistent with paragraph (5);

(B) intervene in energy crisis situations;

(C) provide low-cost residential weatherization and other cost-effective energy-related home repair; and

(D) plan, develop, and administer the State's program under this title including leveraging programs,

and the State agrees not to use such funds for any purposes other than those specified in this title;

(2) make payments under this title only with respect to--

(A) households in which one or more individuals are receiving--

(i) assistance under the State program funded under part A of title IV of the Social Security Act;

(ii) supplemental security income payments under title XVI of the Social Security Act;

(iii) food stamps under the Food Stamp Act of 1977; or

(iv) payments under section 415, 521, 541, or 542 of title 38, United States Code, or under section 306 of the Veterans' and Survivors' Pension Improvement Act of 1978; or

(B) households with incomes which do not exceed the greater of—

(i) an amount equal to 150 percent of the poverty level for such State; or

(ii) an amount equal to 60 percent of the State median income;

except that a State may not exclude a household from eligibility in a fiscal year solely on the basis of household income if such income is less than 110 percent of the poverty level for such State, but the State may give priority to those households with the highest home energy costs or needs in relation to household income.

(3) conduct outreach activities designed to assure that eligible households, especially households with elderly individuals or disabled individuals, or both, and households with high home energy burdens, are made aware of the assistance available under this title, and any similar energy-related assistance available under subtitle B of title VI (relating to community services block grant program) or under any other provision of law which carries out programs which were administered under the Economic Opportunity Act of 1964 before the date of the enactment of this Act;

(4) coordinate its activities under this title with similar and related programs administered by the Federal Government and such State, particularly low-income energy-related programs under subtitle B of title VI (relating to community services block grant program), under the supplemental security income program, under part A of title IV of the Social Security Act, under title XX of the Social Security Act, under the low-income weatherization assistance program under title IV of the Energy Conservation and Production Act, or under any other provision of law which carries out programs which were administered under the Economic Opportunity Act of 1964 before the date of the enactment of this Act;

(5) provide, in a timely manner, that the highest level of assistance will be furnished to those households which have the lowest incomes and the highest energy costs or needs in relation to income, taking into account family size, except that the State may not differentiate in implementing this section between the households described in clauses 2(A) and 2(B) of this subsection;

(6) to the extent it is necessary to designate local administrative agencies in order to carry out the purposes of this title, to give special consideration, in the designation of such agencies, to any local public or private nonprofit agency which was receiving Federal funds under any low-income energy assistance program or weatherization program under the Economic Opportunity Act of 1964 or any other provision of law on the day before the date of the enactment of this Act, except that -

(A) the State shall, before giving such special consideration, determine that the agency involved meets program and fiscal requirements established by the State; and

(B) if there is no such agency because of any change in the assistance furnished to programs for economically disadvantaged persons, then the State shall give special consideration in the designation of local administrative agencies to any successor agency which is operated in substantially the same manner as the predecessor agency which did receive funds for the fiscal year preceding the fiscal year for which the determination is made;

(7) if the State chooses to pay home energy suppliers directly, establish procedures to --

(A) notify each participating household of the amount of assistance paid on its behalf;

(B) assure that the home energy supplier will charge the eligible household, in the normal billing process, the difference between the actual cost of the home energy and the amount of the payment made by the State under this title;

(C) assure that the home energy supplier will provide assurances that any agreement entered into with a home energy supplier under this paragraph will contain provisions to assure that no household receiving assistance under this title will be treated adversely because of such assistance under applicable provisions of State law or public regulatory requirements; and

(D) ensure that the provision of vendor payments remains at the option of the State in consultation with local grantees and may be contingent on unregulated vendors taking appropriate measures to alleviate the energy burdens of eligible households, including providing for agreements between suppliers and individuals eligible for benefits under this Act that seek to reduce home energy costs, minimize the risks of home energy crisis, and encourage regular payments by individuals receiving financial assistance for home energy costs;

(8) provide assurances that,

(A) the State will not exclude households described in clause (2)(B) of this subsection from receiving home energy assistance benefits under clause (2), and

(B) the State will treat owners and renters equitably under the program assisted under this title;

(9) provide that--

(A) the State may use for planning and administering the use of funds under this title an amount not to exceed 10 percent of the funds payable to such State under this title for a fiscal year; and

(B) the State will pay from non-Federal sources the remaining costs of planning and administering the program assisted under this title and will not use Federal funds for such remaining cost (except for the costs of the activities described in paragraph (16));

(10) provide that such fiscal control and fund accounting procedures will be established as may be necessary to assure the proper disbursement of and accounting for Federal funds paid to the State under this title, including procedures for monitoring the assistance provided under this title, and provide that the State will comply with the provisions of chapter 75 of title 31, United States Code (commonly known as the "Single Audit Act");

(11) permit and cooperate with Federal investigations undertaken in accordance with section 2608;

(12) provide for timely and meaningful public participation in the development of the plan described in subsection (c);

(13) provide an opportunity for a fair administrative hearing to individuals whose claims for assistance under the plan described in subsection (c) are denied or are not acted upon with reasonable promptness; and

(14) cooperate with the Secretary with respect to data collecting and reporting under section 2610.

(15) \* beginning in fiscal year 1992, provide, in addition to such services as may be offered by State Departments of Public Welfare at the local level, outreach and intake functions for crisis situations and heating and cooling assistance that is administered by additional State and local governmental entities or community-based organizations (such as community action agencies, area agencies on aging and not-for-profit neighborhood-based organizations), and in States where such organizations do not administer functions as of September 30, 1991, preference in awarding grants or contracts for intake services shall be provided to those agencies that administer the low-income weatherization or energy crisis intervention programs.

**\* This assurance is applicable only to States, and to territories whose annual regular LIHEAP allotments exceed \$200,000. Neither territories with annual allotments of \$200,000 or less nor Indian tribes/tribal organizations are subject to Assurance 15.**

(16) use up to 5 percent of such funds, at its option, to provide services that encourage and enable households to reduce their home energy needs and thereby the need for energy assistance, including needs assessments, counseling, and assistance with energy vendors, and report to the Secretary concerning the impact of such activities on the number of households served, the level of direct benefits provided to those households, and the number of households that remain unserved.

Certification to the Assurances: As Chief Executive Officer, I agree to comply with the sixteen assurances contained in Title XXVI of the Omnibus Budget Reconciliation Act of 1981, as amended.\* By signing these assurances, I also agree to abide by the standard assurances on lobbying, debarment and suspension, and a drug-free workplace.

Signature of the Tribal or Board Chairperson or Chief Executive Officer of the State or Territory.\*\*

Signature: \_\_\_\_\_  
Aaron Gornstein  
Title: \_\_\_\_\_  
Undersecretary, Massachusetts Department of Housing and Community Development  
Date: \_\_\_\_\_

**\* Indian tribes/tribal organizations, and territories with annual regular LIHEAP allotments of \$200,000 or less, are not subject to assurance 15, and thus must only certify to 15 assurances.**

**\*\* If a person other than the Chief Executive Officer of the State or territory, or Tribal Chairperson or Board Chairperson of a tribal organization, is signing the certification to the assurances, a letter must be submitted delegating such authority. (PLEASE ATTACH DELEGATION of AUTHORITY.) The delegation must include authority to sign the assurances, not just to administer the program.**

**\*\*\* HHS needs the EIN (Entity Identification Number) of the State, territory or Tribal agency that is to receive the grant funds before it can issue the grant.**

In the above assurances which are quoted from the law, "State" means the 50 States, the District of Columbia, an Indian Tribe or Tribal Organization, or a Territory; "title" of the Act refers to Title XXVI of the Omnibus Budget Reconciliation Act of 1981 (OBRA), as amended, the "Low Income Home Energy Assistance Act"; "section" means Section 2605 of OBRA; and, "subsection" refers to Section 2605(b) of OBRA.

## PROGRAM OVERVIEW

The LIHEAP funding for Fiscal Year 2014 had not been finalized before the preparation of this Plan. During Fiscal Year 2013, a full year Congressional Continuing Resolution, provided funding for LIHEAP through September 30, 2013 at \$3.4 billion. This amount provided Massachusetts with \$132,150,377 million in LIHEAP base allocation, which was approximately \$8.85 million less than what was anticipated at the beginning of the 2013 heating season. The Fiscal Year 2013 allocation was subject to a 6.23% reduction primarily due to sequestration.

Based on the President's Budget, in anticipation of a LIHEAP block grant and contingency allocation of approximately \$132 million for Fiscal Year 2014, Massachusetts is proposing the program and benefits as outlined below. These plans are subject to final federal fund availability, but represent the most appropriate plan at this point in time.

The following summary contains key aspects of the Fiscal Year 2014 LIHEAP in Massachusetts:

- **Program Year:** Will extend from October 1, 2013, to September 30, 2014; heating benefits are available from November 1, 2013 through April 30, 2014. The opening date of the program establishes the official start date for accepting new and recertified applications. However, application processing takes place both before and after these specified dates. These include, but are not limited to, start-up activities, including recertification of applications. Expenditures for these activities are charged to the program year to which the costs relate. DHCD may anticipate receipt of Federal funds by advancing State funds for program operation, which will be reimbursed once Federal funds are received
- **Benefit Levels:** As shown in Attachment B, a maximum benefit of \$750 and \$450 have been established for deliverable fuel and utility customers respectively based on a proposed national allocation of \$2.8 billion, as contained in the President's Budget as LIHEAP block grant for Fiscal Year 2014 and estimated consumption, income levels, family size, and housing subsidy that result in a cost-based benefit matrix. The benefit levels are subject to change based on final availability of federal funds.
- **Leveraging Initiatives:** For deliverable fuels, the Margin-Over-Rack (MOR) oil pricing method and the Haverhill Area Oil Bid Program shall continue as the major oil savings initiatives. The MOR has a set margin of 40 cents per gallon above the daily average price of heating oil as reported by the Oil Price Information Service (OPIS). DHCD's Community Services Unit (CSU) within the Division of Community Services (DCS) shall continue to be active in the implementation of discounted utility rate offerings for LIHEAP recipients. Although standard enrollment process and billing procedures are currently in place, DHCD shall continue its partnerships with investor-owned and municipal utility companies to implement steps that will accurately capture periodic vendor payment, end of year LIHEAP client consumption, including Performance Measures data.



During Fiscal Year 2012, the Massachusetts LIHEAP network leveraged a total of \$152,982,188 million in non-federal resources. Those and any other resources leveraged during Fiscal Year 2013 may be reported to HHS in Fiscal Years 2013 and 2014. In Fiscal Year 2012, Massachusetts was awarded \$1,244,838 in a Leveraging Incentive Grant, which was allocated towards Fiscal Year 2013 LIHEAP benefit.

- **HEARTWAP (Heating Emergency Assistance Retrofit Task Weatherization Assistance Project) Support:** The heating system repair/replacement component shall receive a commitment of \$8.5 million from LIHEAP funds. This allocation shall fund emergency heating cost repairs and replacements for fuel assistance eligible households.

## **PURPOSE/ALLOCATION OF FUNDS**

### **A. Distribution of Funds**

LIHEAP funds shall be allocated using a historical formula developed when LIHEAP was originally established. The U.S. Department of Health and Human Services (HHS) awards LIHEAP block grant funds by formula to the 50 states and District of Columbia, federally- or state-recognized Indian tribes and tribal organizations, and insular areas. The LIHEAP statute authorizes the use of funds derived for the following types of energy assistance:

- Home energy assistance
- Energy crisis intervention or crisis assistance
- Low-cost residential weatherization and other energy-related home repair

The LIHEAP statute authorizes the use of block grant funds for other uses including:

- Administrative/planning costs (up to 10%)
- Carryover of funds to subsequent fiscal year (up to 10% of “funds payable”)
- Identification, development and demonstration of leveraging programs
- Obligation of leveraging incentive funds
- Assurance 16 activities (up to 5%)

### **B. Use of Contingency Funds**

Contingency funds shall be used for any purpose authorized under LIHEAP including heating assistance, crisis assistance, weatherization, administrative costs, and carryover, subject to normal LIHEAP restrictions. Contingency funds shall be added to the regular block grant allocation for the current fiscal year. Massachusetts has traditionally used contingency funds to increase benefit levels, but may, at its discretion, use funding for such activities as providing additional crisis assistance, making supplemental payments to secondary heating sources, and other activities allowable under the LIHEAP statute.

## C. Allocation of State Funding

Any state supplement to LIHEAP shall be used for the purposes of assisting low-income households with the purchase of heating oil, propane, natural gas, electricity and other primary or secondary heating sources. If authorized by the Massachusetts state legislature, distribution of state funds shall be made on the same basis as federal funds in determining Subgrantee allocations and expenditures shall be incurred in accordance with the State Plan submitted by DHCD to HHS.

statutory  
references

2605(a)

2605(b)(1) ➔ Please check which components you will operate under the LIHEAP program.  
(Note: You must provide information for each component designated here as requested elsewhere in this plan.)

		<u>Dates of Operation</u>
(use of funds)	<u>  X  </u> heating assistance	<u>11-1-13 – 4-30-14*</u>
	<u>      </u> cooling assistance	<u>                                </u>
	<u>  X  </u> crisis assistance	<u>11-1-13 – 4-30-14*</u>
	<u>  X  </u> weatherization assistance	<u>11-1-13 – 4-30-14</u>

*\* Unless the Program is extended beyond 4/30/14.*

2605(c)(1)(C) ➔ Please estimate what amount of available LIHEAP funds will be used for each component that you will operate: **The total of all percentages must add up to 100%.**

(use of funds)

77.09 % heating assistance  
       % cooling assistance  
   3    % crisis assistance

2605(k)(1)   6.45   % weatherization assistance  
       % carryover to the following fiscal year

2605(b)(9)   10   % administrative and planning costs

2605(b)(16)   2.65   % services to reduce home energy needs  
including needs assessment (assurance 16)

0.05 % used to develop and implement leveraging activities (limited to the greater of 0.08% or \$35,000 for States, the greater of 2% or \$100 for territories, tribes and tribal organizations).  
0.76 % Heat-Eat Assistance (H-EAT) for up to \$1.0 M.  
100% **TOTAL**

statutory  
references

2605(c)(1)(C)

➔The funds reserved for winter crisis assistance that have not been expended by March 15 will be reprogrammed to:

(alternate use  
of crisis assistance  
funds)

  X   heating assistance  
       cooling assistance  
       weatherization assistance  
       Other(specify):

➔Do you accept applications for energy crisis assistance at sites that are geographically accessible to all households in the area to be served? (This is required by the statute.)

Yes   X   No       

2605(b)(2)

2605(c)(1)(A)

➔What are your maximum eligibility limits?  
(Please check the components to which they apply.)  
**Current year guidelines must be used.**

(eligibility)

       150% of the poverty guidelines:  
heating        cooling        crisis        wx   

       125% of the poverty guidelines:  
heating        cooling        crisis        wx       

       110% of the poverty guidelines:  
heating        cooling        crisis        wx       

  X   60% of the State's median income:  
heating   X   cooling   N/A   crisis   X   wx   X  

       Other (specify for each component)

       Households automatically eligible if one person is receiving

statutory  
references

\_\_\_\_ TANF, \_\_\_\_ SSI, \_\_\_\_ Food Stamps, \_\_\_\_ Certain means-tested  
veterans programs (heating \_\_\_\_ cooling \_\_\_\_ crisis \_\_\_\_ wx \_\_\_\_)

2605(c)(1)(A)  
2605(b)(2)  
(eligibility)

→Do you have additional eligibility requirements for:  
**HEATING ASSISTANCE** \_\_\_\_X\_\_\_\_ Yes \_\_\_\_ No)

→Do you use: Yes No  
  
Assets test? \_\_\_\_ X

→Do you give priority in eligibility to:

Elderly? \_\_\_\_ \_ X

Disabled? \_\_\_\_ X

Young children? \_\_\_\_ X

Other: X  
(If Yes, please describe) \_\_\_\_

Subsidized Housing tenants. X \_\_\_\_

If heat is included in rent. X \*\* \_\_\_\_

If heat is not included in rent. X \_\_\_\_

Self-Employed. X \_\_\_\_

Tenants of Assisted Living Facility. X \*\*\* \_\_\_\_

\*Owners of a 2<sup>nd</sup> real estate property other than where they are currently residing may have to provide additional information. \*\*These households are not eligible for a benefit if total rent payment is less than 30% of household income. \*\*\* These households are eligible for a benefit if heat is not included in occupancy cost and there is no heating surcharge added to the lease.

statutory  
references

2605(c)(1)(A)  
2605(b)(2)

→Do you have additional eligibility requirements for:  
**COOLING ASSISTANCE** (\_\_\_\_ Yes \_\_\_\_ No)  
**Not Applicable**

(eligibility)

→Do you use:	<u>Yes</u>	<u>No</u>
Assets test?	_____	_____
→Do you give priority in eligibility to:		
Elderly?	_____	_____
Disabled?	_____	_____
Young children?	_____	_____
Other: (If Yes, please describe)	_____	_____

statutory  
references2604(c)  
2605(c)(1)(A)

→Do you have additional eligibility requirements for:  
**CRISIS ASSISTANCE** (   X   Yes        No)

(eligibility)

→Do you use:	<u>Yes</u>	<u>No</u>
Assets test?	_____	<u>  X  </u>
Must the household have received a shut-off notice or have an empty tank?	<u>  X  </u>	_____
Must the household have exhausted regular benefit?	_____	<u>  X  </u>
Must the household have received a rent eviction notice?	<u>  X  </u>	_____
Must heating/cooling be medically necessary?	_____	<u>  X  </u>
Other (Please explain): (Family health and safety issues)	<u>  X  </u>	_____

**CRISIS ASSISTANCE****➔What constitutes a crisis? (Please describe)**

Massachusetts uses a *FastTrack* emergency assistance program. Therefore, all crisis applicants are served within 18 hours. Any one of the following conditions shall constitute a crisis.

The crisis intervention component of Massachusetts' LIHEAP has been developed as a *FastTrack* system, integrated into the heating assistance program, for prioritizing and expediting service to households experiencing heating emergencies. The purpose of this *FastTrack* system is to provide swift response to heating emergencies, while steering applicants into the mainstream heating assistance component with full benefits. Emergency applications are given priority at all intake and processing steps. Local Administering Agencies (LAAs) are required to provide for emergency service within 18 hours of the eligible household's application or request, in accordance with the statute and corresponding procedures outlined in the Fiscal Year 2014 Administrative Guidance, especially if the household's health and safety is in danger

The criteria for designating an emergency are as follows:

- a. no heat for any reason, including heating system failure
- b. imminent loss of heat, due to:
  - less than 3-day supply of fuel (e.g., reading of 1/8 tank or less on a standard 275 gallon heating oil tank; "3-day or less" supply standard applies to other delivered fuels); or
  - possession of final notice of utility termination for the primary heat source, or for a secondary source necessary to operate the primary heating system; or
  - threatened eviction within 72 hours for renter whose rent includes heat

Households shall make application for the program using the standard LIHEAP application form. Households shall have their incomes determined under the regular LIHEAP income standards. The current benefit matrix shall apply to the households determined eligible. There shall be a reasonable effort on the Subgrantees' part to address crisis situations brought to their attention after the normal business hours and during weekends and holidays. Each Subgrantee shall develop a written crisis assistance plan.

DHCD shall refer crisis and other LIHEAP callers to Subgrantees through its online Benefit Enrollment and Coordination System (BECS).

**WEATHERIZATION ASSISTANCE**

statutory  
references

2605(c)(1)(A) → Do you have additional eligibility requirements for:  
**WEATHERIZATION** (  X  Yes   No)

(eligibility)

→ Do you use: Yes No

Assets test?    X

Priority groups? (Please list)    X

→ Are you using Department of Energy (DOE) Low Income Weatherization Assistance Program (LIWAP) rules to establish eligibility or to establish priority eligibility for households with certain characteristics?    X

→ If Yes, are there exceptions?      
Please list below.

Eligibility is based on LIHEAP income and need for specific weatherization services provided by the Heating Emergency Retrofit Task Weatherization Assistance Program (HEARTWAP).

**OUTREACH**

The Subgrantee conducts the following outreach activities designed to assurance that eligible households are made aware of available LIHEAP assistance.

statutory  
references

2605(b)(3) → Please check the outreach activities that you  
2605(c)(3)(A) conduct that are designed to assure that eligible households are made  
aware of all LIHEAP assistance available:

(outreach)

X  provide intake service through home visits or by telephone for the physically infirm (i.e. elderly or disabled).

X  place posters/flyers in local and county social service offices, offices of aging, Social Security offices, VA, etc.

X   publish articles in local newspapers or broadcast media announcements.

  X   include inserts in energy vendor billings to inform individuals of the availability of all types of LIHEAP assistance.

  X   make mass mailing to past recipients of LIHEAP.

  X   inform low income applicants of the availability of all types of LIHEAP assistance at application intake for other low-income programs.

  X   execute interagency agreements with other low-income program offices to perform outreach to target groups.

  X   other (Please specify):  
Accepts early application for energy assistance at sites that are geographically accessible to all households in the area to be served Also accepts application or energy crisis assistance in similarly located accessible sites.

Subgrantees are also required to maintain accessible intake sites, home visit capacity, general publicity, bilingual assistance for applicants, and use of existing networks to reach target households. The use of mail recertification reduces the need and demand for home visits to elderly and disabled households. Subgrantees are instructed to target vulnerable households including the Limited English Proficiency (LEP) population and applicants with possible high energy burden. During Fiscal Year 2013, DHCD made several LIHEAP vital Forms available in Spanish, Portuguese, Vietnamese, Chinese, Russian, French Creole, Haitian Creole, and Khmer or Cambodian. This practice shall continue in Fiscal Year 2014. DHCD strongly encourages that Subgrantees provide intake for clients outside of normal business hours, when needed.

DHCD and its Subgrantees shall maintain working relationships with other state agencies such as the Department of Transitional Assistance (DTA), especially the Supplemental Nutritional Assistance Program (SNAP) office and the Executive Office of Elder Affairs, which will assist in program outreach activities.

By enhancing its Electronic Government (E-Gov.) network, DHCD has implemented a new Benefit Enrollment and Coordination System (BECS) with three distinct features: (1) testing eligibility for non-LIHEAP resources; (2) making referrals; and (3) conducting client assessment (based on several self-sufficiency matrices). DHCD is in the process of implementing BECS to its full potential including but not limited to referring Heatline callers to Subgrantee agencies through BECS.

As for additional steps taken to target households with high home energy burdens, DHCD and its network have traditionally promoted the program to those facing high energy bills and/or financial hardships. As an example, the customer service departments of local utilities and the Consumer Division of the State Department of Public Utilities often refer households with



financial hardship and payment difficulties to the LIHEAP program. Furthermore, many LIHEAP eligible households with utility arrearages are referred to investor-owned Utility companies to be enrolled in their respective Arrearage Management Program (AMP).

In addition, high energy burden households will receive additional "priority points" as part of DHCD's current protocol to target DOE weatherization services, which will help reduce energy bills, and the need for assistance.

With the majority of served households having incomes below the poverty line, these low-income recipients are in a vulnerable position with respect to high energy costs.

## **COORDINATION**

statutory  
references

2605(b)(4) → Please describe how you will assure that LIHEAP is coordinated with similar and related programs. The description provided applies to all components unless specifically noted.

(coordination)

DHCD's Division of Community Services (DCS) houses the LIHEAP and the energy conservation operations, as well as other related community programs, in the Community Services Unit (CSU) and Energy Conservation Unit (ECU). DCS receives funding and administers a variety of programs under the Community Services Block Grant, via a network of Community Action Agencies. Under contract with DHCD, these agencies also administer the LIHEAP program, with two exceptions<sup>1</sup>.

A high degree of coordination among programs, appropriate referrals, and a complete service package is largely ensured by the multi-faceted service delivery nature of these Subgrantees. (See Attachment A for Subgrantee listing).

DCS shares information, develops service capacity, and integrates resources through groups such as the LIHEAP Advisory Group, Massachusetts Association of Community Action Programs (MASSCAP), the Massachusetts Energy Directors Association (MEDA) and the Policy Advisory Council (PAC).

As a result of collaboration between LIHEAP and energy conservation operations, Subgrantees are able to use a single standardized Fuel Assistance/Energy Conservation application form. This application, when completed for fuel assistance during the heating season, also serves as a single point of entry and certification for all energy assistance programs offered by DCS including utility discounts offered by Massachusetts investor-owned utility companies.

During Fiscal Year 2014, DHCD shall continue its partnerships other governmental agencies. . DHCD shall maintain an Interdepartmental Service Agreement with the Massachusetts

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<sup>1</sup> The City of Cambridge, Department of Human Services and the New England Farm Workers' Council, Inc., are the two non-CAA LIHEAP Subgrantees.

Department of Revenue (DOR) and the Massachusetts Department of Transitional Assistance (DTA), and fully implement its existing contract with the U.S. Social Security Administration (SSA) in specific aspects of identity and income verification as those relate to greater program integrity including fraud prevention, detection, and prosecution.

DHCD shall continue to work with the Executive Office of Energy and Environmental Affairs, Department of Energy Resources (DOER) and the Department of Public Utilities (DPU) regarding rate relief for low-income consumers and other issues concerning major investor-owned utility companies. In order to better measure the impact of LIHEAP assistance on low-income households, a variety of new strategies continue to be implemented with utility companies on issues concerning policies on discount rate programs, including enrollment, terminations and reconnections, arrearage management, and retroactive and prorated program billing, and energy consumption information. DHCD shall continue to partner with the National Consumer Law Center (NCLC) in its efforts to provide quality utility rights training to the LIHEAP network and maintain and create new partnerships.

DHCD works regularly with the Arrearage Management Program (AMP) Best Practice Group that includes both DPU and individual utility companies to understand enrollment of LIHEAP recipients in the various discounted rates and Arrearage Management Program (AMP), which are offered by all major utilities in the Commonwealth. By the end of 2012, 71,000 low-income electric and 4,700 natural gas customers respectively were enrolled in this program. As a result of AMP participation, utility companies forgave \$15 million in past due bills in 2012.

DHCD shall continue to participate in the Arrearage Management Program (AMP) Best Practice Group, comprised of representatives from investor-owned utility companies, Attorney General's Office, Department of Public Utilities, National Consumer Law Center, and Local Administering Agencies (LAAs). The AMP was created as a result of the Residential Energy Assistance Challenge Grant (REACH) from U.S. Department of Health and Human Services, Office of Community Services, and Division of Energy Assistance

Subject to Congressional authorization, for Fiscal Year 2014, DHCD shall continue to coordinate with DTA to administer the H-EAT Program. The Supplemental Nutritional Assistance Program (SNAP) application and re-certification forms shall include language advising clients that they will be auto-enrolled in a special fuel assistance program (the H-EAT program), if determined eligible. These SNAP recipient families will become eligible to receive a higher shelter deduction due to LIHEAP enrollment and will experience an increase in their SNAP benefit. However, the H-EAT LIHEAP benefit shall be limited to a nominal amount per SNAP recipient individual.

### **BENEFIT LEVELS**

2605(b)(5)	➔	The statute requires that there be no difference in the treatment
2605(b)(2)		of households eligible because of their income and those eligible
2605(b)(8A)		because they receive benefits under TANF, Food Stamps, SSI, or certain
		means-tested veterans' programs ("categorically eligible").

How do you ensure there is no difference when determining eligibility and benefit amounts?

DHCD has specific income eligibility criteria outlined in the LIHEAP Administrative Guidance for Program Operators. Since the Massachusetts LIHEAP does not recognize categorical eligibility, those households that receive income from the sources mentioned above are treated the same as those households with income from any other source. In general, the LIHEAP eligibility of all households is based on annualized income and family size. The benefit amount is determined in the same manner regardless of the source of income; the determining factors are family income level, family size, home energy fuel type and where these factors place the household in the Massachusetts LIHEAP benefit matrix.

statutory  
references

### **HEATING COMPONENT**

2605(b)(5) → Please check the variables you use to determine your benefit levels (check all that apply):

(determination  
of benefits)

- ☒ income
- ☒ family (household) size
- ☒ home energy cost or need
- ☐ fuel type
- ☐ climate/region
- ☐ individual bill
- ☒ dwelling type
- ☒ energy burden  
(% of income spent on home energy)
- ☐ energy need
- ☒ other (describe)

Funding and anticipated number of households to be served.

### **BENEFIT LEVELS**

2605(b)(5) Describe how you will assure that the highest benefits go to households  
2605(c)(1)(B) with the lowest incomes and the highest energy costs or needs in relation  
to income, taking into account family size.  
(benefit Please describe benefit levels or attach a copy of your payment matrix.  
levels)

DHCD uses a mixture of a fixed benefit determined by poverty level, and offers an additional benefit, the High Energy Cost Supplement (HECS) to each household. This process assures that households with the lowest income and the highest fuel costs receive the most benefits.

A preliminary maximum benefit has been set at \$750 for deliverable fuel and \$450 for utilities per household, which is contingent upon DHCD receiving at least \$132 million in federal LIHEAP allocation in FY 2014.

Benefit levels for all income groups are shown in Attachment 3.

➔Do you provide in-kind (e.g., blankets, space heaters) and/or other forms of benefits?

\_\_\_ Yes X No If Yes, please describe.

statutory  
references

2605(b)(5)  
2605(c)(1)(B)

**COOLING COMPONENT** N/A

➔Please check the variables you use to determine your benefit levels (check all that apply):

**Not Applicable**

(determination  
of benefits)

- \_\_\_ income  
\_\_\_ family (household) size  
\_\_\_ home energy cost or need  
\_\_\_ fuel type  
\_\_\_ climate/region  
\_\_\_ individual bill  
\_\_\_ dwelling type  
\_\_\_ energy burden  
   (% of income spent on home energy)  
\_\_\_ energy need  
\_\_\_ other (describe)

2605(b)(5)  
2605(c)(1)(B)

(benefit  
levels)

➔Describe how you will assure that the highest benefits will go to households with the lowest incomes and the highest energy costs or needs in relation to income, taking into account family size. Please describe benefit levels or attach a copy of your payment matrix.

2605(b)(5)  
2605(c)(1)(B)

(determination  
of benefits)

**CRISIS COMPONENT**

➔How do you handle crisis situations?

\_\_\_ separate component X other (please explain)

**Included in regular LIHEAP benefit. See Crisis Assistance.**

➔ If you have a separate component, how do you determine crisis assistance benefits?

\_\_\_\_\_ amount to resolve crisis, up to maximum

\_\_\_\_\_ other (please describe)

(benefit  
levels)

➔ Please indicate the maximum benefit for each type of crisis assistance offered.

heating                      \$\_\_\_\_\_ maximum benefit

cooling                      \$\_\_\_\_\_ maximum benefit

year-round                      \$\_\_\_\_\_ maximum benefit

➔ Do you provide in-kind (e.g. blankets, space heaters, fans) and/or other forms of benefits?

\_\_\_ Yes   X No   If Yes, please describe.

statutory  
references

2605(b)(5)  
2605(c)(1)  
(B) & (D)

## **WEATHERIZATION & OTHER ENERGY RELATED HOME REPAIR AND IMPROVEMENTS**

➔ What LIHEAP weatherization services/materials do you provide?  
(Check all categories that apply.)

(types of  
assistance)

\_\_\_\_\_ Weatherization needs assessments/audits.

\_\_\_\_\_ Caulking, insulation, storm windows, etc.

X \_\_\_\_\_ Furnace/heating system modifications/repairs

X \_\_\_\_\_ Furnace replacement

\_\_\_\_\_ Cooling efficiency mods/repairs/replacement

\_\_\_\_\_ Other (Please describe)

(benefit  
levels)

➔ Do you have a maximum LIHEAP weatherization benefit/expenditure per household? X Yes   \_\_\_\_\_ No

If Yes, what is the maximum amount? \$5,000 plus \$1,600 if asbestos abatement is recommended.

➔ Under what rules do you administer LIHEAP weatherization? (Check only one.)

(types of  
rules)

- ☒ Entirely under LIHEAP (not DOE) rules  
☐ Entirely under DOE LIWAP rules  
☐ Mostly under LIHEAP rules with the following DOE LIWAP rule(s) where LIHEAP and LIWAP rules differ (Check all that apply):

☐ Weatherize buildings if at least 66% of units (50% in 2- & 4-unit buildings) are eligible units or will become eligible within 180 days

☐ Weatherize shelters temporarily housing primarily low income persons (excluding nursing homes, prisons, and similar institutional care facilities).

☐ Other (Please describe)

☐ Mostly under DOE LIWAP rules, with the following LIHEAP rule(s) where LIHEAP and LIWAP rules differ (Check all that apply.)

☐ Weatherization not subject to DOE LIWAP maximum statewide average cost per dwelling unit.

☐ Other (Please describe.)

Under the Heating Emergency Assistance Retrofit Task Weatherization Assistance Program (HEARTWAP), heating system services will be provided on an as-needed basis. The services include the cleaning, tuning and evaluation of heating systems, repair and upgrade of existing components, replacement of burners and replacement of unsafe, inoperable or gravity warm air heating systems. Expenditures per home may range from \$125 for a system tune-up to \$5,000 for a heating system replacement.

In addition to the direct heating system work, HEARTWAP provides up to \$1,600 for abatement of friable asbestos when replacing a heating system, and for client education in the most efficient use of the heating system. LIHEAP households are automatically eligible to receive HEARTWAP services, and are considered to have priority status for such.

**NOTE:** Full-scale weatherization will be available to eligible LIHEAP Households through the Department of Energy's (DOE) Weatherization Assistance Program (WAP). At an average cost of \$5,500 per weatherized home, WAP shall provide an energy audit, insulation of attics, walls, and perimeters, air sealing, and other measures, such as health and safety repairs, according to DHCD- determined and DOE-approved priorities and guidance.

The maximum allowable WAP expenditure in a home shall be \$10,000 in labor and materials. The majority of LIHEAP recipients are eligible for WAP services.

Energy efficiency activities are administered within the Energy Conservation Unit (ECU) and these activities are coordinated closely with LIHEAP personnel. Many of the Subgrantees that operate the energy efficiency programs also operate LIHEAP.

## **LOCAL ADMINISTERING AGENCIES**

2605(b)(6) The state or tribe administers LIHEAP through the following local agencies:

(agency designation)

☐ county welfare offices  
☒ community action agencies (weatherization component only)  
☒ community action agencies (heating, cooling or crisis)  
☐ charitable organizations  
☐ not applicable (i.e. state energy office)  
☐ tribal office  
☒ other, describe: Local community-based organizations and municipalities.

### Subgrantee Agencies

Massachusetts currently subcontracts for local administration of Fuel Assistance with twenty-two (22) agencies, nineteen (19) of which are Community Action Agencies that are in operation under the Economic Opportunity Act of 1964. DHCD reserves the right to select a Subgrantee in any service area via a Request For Response process or by designation of the Undersecretary of DHCD.

A list of designated Subgrantees is included as Attachment A to this Application/State Plan. A statewide distribution formula shall be prepared which allocates program funds to service areas based on prior year expenditures for the area covered by the Subgrantee. A historic cost formula for allocation of administrative funds for each of the LIHEAP agencies is utilized

→ Have you changed local administering agencies from last year?  
☐ Yes ☒ No

If Yes, please describe how you selected them.

→ What components are affected by the change? **Not Applicable.**

**VII. GENERAL PROGRAM BACKGROUND**

The following initiatives shall continue in FY 2014:

**Subsidized Housing**

Regardless of housing subsidy type, all eligible applicants with a housing subsidy are awarded a partial LIHEAP benefit. Furthermore, the percentage of partial benefit has been increased from 50% to 70% of the maximum LIHEAP benefit.

**Assisted Living**

Those income-eligible applicants residing in assisted living residences, as defined by M.G.L. c. 19D, are only qualified for fuel assistance if they are responsible for paying for their own separately-metered heat, and there was no separate, documented heating surcharge imposed by the assisted living residence's sponsor/operator.

**Residents of substandard dwelling units**

When a Subgrantee becomes aware of substantial violation of the State Sanitary Code in a LIHEAP applicant's housing unit, LIHEAP benefits are suspended until the violation is addressed. Substandard dwelling units with substantial violations of the State Sanitary Code pursuant to 105 CMR 410.750 are reported to local code enforcement offices.

**Self-Employment Applicants**

DHCD has established a standard self-employment deduction of 40%.

**High Energy Cost Supplement (HECS)** DHCD shall continue to provide HECS benefits to a targeted group of eligible households with highest energy burden and utilize household income, energy costs, and consumption information to determine statewide reduction of energy burden for each home energy fuel type. The focus of the analysis is on the major heating sources of gas, oil, and electricity which encompass close to 90% of served households in Massachusetts. The results indicate that the costs of deliverable fuel, especially heating oil, have increased substantially while utility prices have remained stable during the 2012-2013 heating season. .

The availability of major utility discounts for many LIHEAP households, as well as the average savings of approximately 0.30 cents per gallon resulting from the MOR program, have contributed to cost-saving measures for most LIHEAP recipients. Each year over 10,000 LIHEAP households receive energy efficiency services through the WAP, HEARTWAP and gas and electric utility-funded programs, which further reduce their energy burden.



**Benefit Distribution Method and Reduction of Energy Burden**

Massachusetts uses a benefit distribution method that was developed by the Massachusetts Institute for Social and Economic Research (MISER). This benefit distribution method is based on factors such as income and actual heating costs incurred by households.

In order to ensure that benefits are targeted to households with the lowest incomes and the highest costs/needs, DHCD makes the 0 to 100% of poverty group eligible for the highest possible heating benefit. As stated in the above subsection, those with high cost burden are eligible for an additional benefit (High Energy Cost Supplement) based on actual energy billing. Households with the highest energy costs (top 25% of all heating costs data collected for the state) within each poverty group will be eligible to receive an additional benefit ranging from \$100 to \$60, depending on annual household income

This method of reducing energy burden was supported by weighted averages from a study conducted by MISER. The energy burden of deliverable fuel households has disproportionately increased compared to natural gas or electricity. A two-tier benefit matrix has been established so that deliverable fuel clients could receive the highest possible benefit. Utility households may receive a lower benefit based on the cost differentials between deliverable fuels and utilities.

**Needs Assessment and Service Delivery**

In accordance with LIHEAP regulations and pending the availability of funds, Subgrantees may provide such services as: needs assessment, Benefit Enrollment and Coordination (BECS), budget counseling, energy education/awareness and vendor relations as part of the ongoing servicing of eligible households. These services, under Assurance 16 of the LIHEAP statute, shall be directed toward households that may be in financial/energy crisis requiring individual attention beyond the standard course of action. The funding is used to enhance outreach efforts to eligible customers.

DHCD stresses the importance of conducting targeted outreach, work with utilities on issues impacting users, particularly elders, expand education and awareness efforts, and refer households to non-LIHEAP resources through DHCD's Benefit Enrollment and Coordination System (BECS). DHCD monitors the Assurance 16 activities conducted by Subgrantees through annual contracting and monitoring process to ensure compliance with funding requirements. During Fiscal Year 2013 a total of \$3,597,395 in Assurance 16 funds were provided to Subgrantees in accordance with the LIHEAP statute.

All households are required to complete an application for assistance and to document their income to determine eligibility. In general, households are determined eligible based on the amount of household income rather than whether it came from any particular source. Therefore, the Commonwealth does not differentiate in the provision of assistance between households described in clauses 2(A) and 2(B) under Section 2605 (b) of the LIHEAP statute. Income eligibility determinations are made in accordance with DHCD's Administrative Guidance for Program Operators. Mail-in recertifications for prior year recipients aids in timely eligibility determination and earlier payment processing. DHCD has developed a comprehensive set of

guidelines for the administration of the program that address intake procedures, eligibility, income verification and program benefits as well as other operational issues.

In keeping with the statutory requirement that payments be made in a timely manner, Massachusetts shall require its Subgrantees to pay vendors within thirty (30) days of receipt of an authorized bill for payment, unless otherwise negotiated with the vendor. This timetable applies to vendor payments regardless of their regulated or non-regulated status.

Service for all eligible clients in emergency situations shall be provided within an 18-hour timeframe as specified in the statute.

### **Income Eligibility**

DHCD has updated the poverty guidelines for the Fiscal Year 2014 program year using 2013 HHS Poverty Guidelines and State Median Income Estimates.

DHCD's method of determining eligibility based on income, household size and housing situation provides equitable treatment for all applicant households. In keeping with the legislative mandate that higher benefit levels be available for households with the highest energy costs or needs in relation to income, an eligibility matrix has been developed on the basis of income ranges. The income ranges are as follows:

#### **A. For Fuel/Crisis Assistance**

1. Households at or below 100% of federal poverty level.
2. Households at or below 125% of federal poverty level.
3. Households at or below 150% of federal poverty level.
4. Households at or below 175% of federal poverty level.
5. Households at or below 200% of federal poverty level.
6. Households between 201% of federal poverty level and 60% of estimated State Median Income.

#### **B. For Weatherization (HEARTWAP) Assistance**

Households up to 60% of estimated State Median Income.

### **ADDITIONAL STEPS:**

2605(c)(1)(E) ➔ Please describe any additional steps (other than those described elsewhere in this plan) that will be taken to target assistance to households with high home energy burdens. **(This applies to all components. If all steps to target households with high home energy burdens are described elsewhere in the plan, no further information is required here.)**

(targeting of  
assistance)

The Massachusetts High Energy Cost Supplement (HECS) is described elsewhere in the plan.

statutory references

2605(b)(7)

(energy  
suppliers)

→ Do you make payments directly to home energy suppliers?

Heating        X   Yes             No

Cooling             Yes        X   No

Crisis        X   Yes             No

If Yes, are there exceptions?   X   Yes             No

If Yes, please describe.

Massachusetts LIHEAP is primarily a vendor payment program. However, the Commonwealth recognizes that in rare instances, a vendor payment may not be feasible. Payments directly to clients are allowed only in the following instances (unless a written waiver is granted):

A) When an eligible tenant's heat is included in rent;

**OR**

B) When a client's vendor refuses to sign the vendor agreement to participate in LIHEAP and the client cannot obtain an alternative supplier;

**OR**

C) When a Subgrantee does not have a vendor agreement with the vendor under circumstances approved by DHCD;

**OR**

D) When a client who shares a primary heating system is unable to obtain delivery. (If it is necessary to estimate the cost of the first delivery of the program to such a household, a reasonable estimated payment can be made to the client. The client must provide a paid delivery ticket or invoice as proof of payment of the prior delivery before each subsequent payment may be made. Should a vendor still refuse to deliver, a two-party check to client and vendor may be used as a last resort.);

**OR**

E) When a client shares a heating system with his/her landlord whose oil vendor is not participating in the MOR program and the client pays the landlord for half of each oil delivery;

**OR**

F) When a client shares an oil tank with another person who does not receive LIHEAP benefits.

**ENERGY SUPPLIERS**

2605(b)(7)(A) → If you make payments directly to home energy suppliers, how do you notify the client of the amount of assistance paid? (Please describe)

The LIHEAP Administrative Guidance requires Subgrantees to notify clients of all payments made on their behalf within specific time frames. Written notification, preferably in the form of a statement containing billing, total value of payments and balances, must be sent to recipients at least once a year upon exhaustion of benefits, or according to an established schedule as stipulated in the Massachusetts LIHEAP Administrative Guidance.

2605(b)(7)

(B) & (C)

→ How do you make sure the home energy supplier performs what is required in this assurance? If vendor agreements are used, they may be attached. Indicate each component for which this description applies.

A vendor agreement, required by DHCD and implemented via the Subgrantee, contains assurances as to fair billing practices, delivery procedures, and pricing procedures for business transactions involving LIHEAP recipients. These agreements are subject to monitoring procedures performed by either Subgrantee or DHCD staff. This Agreement, signed by all vendors, states that the vendor shall not discriminate against the certified (LIHEAP) customer in prices or services and provides that the vendor shall make deliveries/supply services in accordance with normal business practice.

The vendor agreement also ensures the supplier shall offer the full range of credit, deferred payment, budget, level payment and other credit plans, which will help minimize the risks of home energy crises and encourage regular payment by LIHEAP recipients. Vendor agreements are attached to this plan.

In addition, the majority of unregulated vendors (Heating Oil dealers) are required to participate in DHCD's MOR pricing program if they wish to receive vendor payments. The MOR program determines LIHEAP heating oil prices by adding a margin over wholesale Rack prices. This discount effort increases the "purchasing power" of the recipients' cash benefit, thereby helping to alleviate the energy burden of those households.

During Fiscal Year 2014, DHCD shall continue to work with individual utilities to coordinate enrollment in discount rate programs, eligibility, customer service, electronic billing, client tracking and other LIHEAP-related matters. Initiatives will be taken to standardize the existing data collection process to obtain information from energy vendors to track and report service interruptions, reconnections, arrearages, and payments made by clients and subgrantee agencies.

**OWNERS AND RENTERS**

statutory  
references

2605(b)(8)(B)      ➔ Is there any difference in the way owners and renters are treated?  
                               X   Yes             No    If Yes, please describe.

In an effort to accurately target benefits to households with the lowest income and highest energy burden, DHCD shall recognize individual rental situations as outlined below for purposes of benefit distribution/eligibility.

### **Eligibility of Renters**

Heating benefits paid to renters are affected by a number of factors, including the following:

- Type of rental (subsidized vs. non-subsidized).
- Inclusion of heating costs in monthly rental payments.
- Direct responsibility for heat and/or energy utilities payment.

Renters who bear an energy burden in relation to gross LIHEAP income may be eligible for LIHEAP benefits.

#### **A. Renters Who Directly Pay a Vendor the Full Cost of Their Heat**

##### **1. Full Benefit (*100% of income eligible benefit*)**

Renters not living in subsidized housing who pay a vendor for their heat are eligible for a full benefit paid to the vendor.

##### **2. Partial Benefit (*approximately 70% of income eligible benefit*)**

Renters with a Federal or State subsidy voucher or living in a subsidized housing unit are eligible for a partial benefit, paid directly to the vendor.

#### **B. Renters Whose Heating Cost is Included in Rent (heat included in rent)**

##### **1. Full Benefit (*100% of income eligible benefit*)**

Renters with heat included in rent not living in subsidized housing are eligible for a full benefit. These households can be reimbursed up to 30% of each month's rent. Benefits are accrued incrementally and paid directly to clients.

**2. Partial Benefit (approximately 70% of income eligible benefit)**

Renters with a Federal or State subsidy voucher or living in a subsidized housing unit, whose monthly rent is more than 30% of the gross LIHEAP monthly income, are eligible for a partial benefit, paid directly to the client.

**3. No Benefit**

Renters with a Federal or State subsidy or living in a subsidized unit whose monthly rent is 30% or less of the gross LIHEAP monthly income are ineligible for LIHEAP.

Households that reside in subsidized housing with heat included in rent who are ineligible for LIHEAP benefits and pay for their electricity usage may be eligible for the electric utility discount rate if they meet all of the following criteria: 1) the presence of a housing subsidy; 2) the cost of heat is included in the rent; and 3) the tenant pays for electric utilities.

These households shall be determined for income eligibility, and if below 60% of the estimated state median income, shall be included in the discount rate notice sent to the utility.

Even if they become eligible for the electric utility discount, these households shall remain ineligible for LIHEAP benefits. A separate denial notice shall be sent stating that the household is income eligible for the discount rate but ineligible for LIHEAP benefits.

(owners  
and  
renters)

**HEATING ASSISTANCE**

  X   Yes        No

**COOLING ASSISTANCE** N/A

       Yes        No

**CRISIS ASSISTANCE**

  X   Yes        No

**WEATHERIZATION**

  X   Yes        No

statutory  
references

### **PROGRAM AND FISCAL MONITORING AND AUDIT**

2605(b)(10)

➔How do you ensure good fiscal accounting and tracking of LIHEAP funds? (Please describe. Include a description of how you monitor fiscal activities.)

(program,  
fiscal  
monitoring,  
and audit)

The Massachusetts Management Accounting and Reporting System (MMARS) tracks the receipt of LIHEAP revenue and payments to Subgrantees. This is reconciled monthly. Subgrantees submit financial status reports with every drawdown requested as well as quarterly reports. This information is reviewed and reconciled. On-site fiscal monitoring is conducted in conjunction with program monitoring. A standard monitoring checklist is used to guide the testing of revenue, expenditures, and internal controls at the subgrantee level.

➔How do you monitor program activities? (Please be sure to include a description of how you monitor eligibility and benefit determination.)

The DCS Fiscal and Compliance Unit (FCU) and Community Services Unit (CSU) respectively perform fiscal and program monitoring on an annual basis. DCS shall continue to review/modify program monitoring procedures to ensure compliance with all state and federal laws, regulations, and DHCD LIHEAP Administrative Guidance and operating procedures.

In addition to the regular program assessments, DHCD often conducts post-audit reviews as a component of its monitoring system. The post-audit review is designed to address complaints, potential fraud or improper payment issues, client eligibility, accountability and policy issues, and to ensure compliance with administrative guidelines. A targeted file review approach has been developed that can be invoked by DHCD if a situation warrants.

CSU program monitoring includes, but is not limited to, inspecting and reviewing a random sample of client records, administrative procedures and expenditures, vendor payments, requests for disbursement of funds, and other LIHEAP program-related activities. Written reports shall be filed documenting the results or findings of each visit. The visits and reports shall state results of compliance reviews, outline operational strengths, identify observed weaknesses, and, as appropriate, note required corrective actions and timeframes for implementation.

In order to make the monitoring of LIHEAP Subgrantees more streamlined and efficient, CSU identifies Subgrantee agencies to participate in an onsite or remote monitoring process. Subgrantees that participated in an onsite assessment in FY 2013 will be preselected for desk reviews in FY 2014.

Unlike a regular on-site monitoring, these agencies' performance was monitored by remotely accessing client databases from DHCD. CSU will continue to conduct remote desk review of a preselected group and onsite monitoring of the remaining Subgrantee agencies in FY 2014.

DHCD shall work closely with Subgrantee agency planners, LIHEAP directors, and/or other staff to develop a LIHEAP work plan for the upcoming fiscal year. After DHCD's approval, the work plan document will be incorporated into the Fiscal Year 2014 LIHEAP contract. In addition to the proposed activities, the work plan shall include Fiscal Year 2014 LIHEAP Performance Measures. During the program year, each LIHEAP grantee shall be required to submit an annual program progress report based on their work plan. During on site monitoring, DCS shall monitor progress toward meeting each LIHEAP agency's work plan goals.

In the event suspension or termination of any agency's services is required, the grant agreement with the LAA delineates the specific suspension and termination procedures to be followed.

➔How is your LIHEAP program audited?

Under the Single Audit Act?  X  Yes   No  
If not, please describe:

DHCD complies with the Single Audit Act requirements and is audited annually on its expenditures of amounts received under this Title to carry out the purposes of LIHEAP. DHCD submits an annual financial status report on how LIHEAP funds are used. In addition, Subgrantees are required annually to submit the OMB Circular A-133 audit

For States and Territories:

➔Is there an annual audit of local administering agencies?  X  Yes  
No  
If not, please explain.

Massachusetts has a financial system appropriate to safeguard federal funds and requires the Subgrantees to submit certified audit reports prepared by a Certified Public Accountant.

### **TIMELY AND MEANINGFUL PUBLIC PARTICIPATION AND PUBLIC HEARINGS**

statutory  
references

2605(b)(12)

(timely and  
meaningful  
public  
partici-  
pation)

➔How did you get timely and meaningful public participation in the development of the plan? (Please describe.)



In an effort to maintain opportunities for on-going dialogue and feedback concerning the impact of program modifications, DHCD continues to work with a LIHEAP Advisory Group. A general outline of proposed modifications to the Fiscal Year 2014 LIHEAP were presented to the Advisory Group and Subgrantees during a preliminary hearing on June 18, 2013.

The Advisory Group is comprised of representatives from the LIHEAP provider agency network, Massachusetts Association for Community Action, Massachusetts Energy Directors' Association, National Consumer Law Center, Elder Affairs, Department of Public Utilities, the Attorney General's Office and DHCD. Work with the Advisory Group has proven to be productive and invaluable in providing constructive suggestions and support. In addition, the Policy Advisory Council (PAC) will continue to provide input and direction during Fiscal Year 2014 for LIHEAP weatherization program.

### **PUBLIC HEARINGS**

2605(a)(2) → Did you conduct public hearings on the proposed use and distribution of your LIHEAP funds? When and where?

☒ Yes ☐ No

**(Not required for Tribes and tribal organizations)**

(public  
hearings)

As part of its overall public review process, the proposed State Plan was released in July to Subgrantees agencies, Massachusetts Energy Directors Association, and other interested parties. Proposed changes to the Fiscal Year 2014 State Plan and the Program Integrity Supplement were discussed.

To ensure meaningful public participation in the development of the Plan, DHCD held a formal Public Hearing on **July 22, 2013** at DHCD during which both oral and written comments were received and recorded via transcript. Notice of the public hearing was advertised in newspapers across Massachusetts and sent to interested parties and a copy of this State Plan remained posted on DHCD's website throughout the public comment period in July 2013. All comments received throughout the public comment period were considered in completing this State Plan.

**FAIR HEARINGS**

statutory  
references

2605(b)(13)

➔Describe your fair hearing procedures for households whose applications are denied or not acted on in a timely manner. When are applicants informed of these rights?

(fair  
hearings)

Massachusetts requires an LAA to notify all applicants/clients of their right to appeal specific LAA decisions in the heating assistance/crisis assistance and energy conservation programs. Notification of these rights must be given:

1. When the applicant/client first applies for assistance (in the printed statement on the application);
2. When an LAA provides an applicant/client with a notice of either eligibility or ineligibility; and
3. When an LAA issues a final decision of denial on an appeal.

The appeals process requires applicants/clients initially to appeal to the LAA, and offers the opportunity to appeal to DHCD, if the applicant/client is not satisfied with the decision issued by the LAA. Appeals must be made to the LAA, on a form provided by the LAA, within twenty (20) working days of receipt of any notice of eligibility or ineligibility. Applicants/clients can also request an appeal, on a form provided by the LAA, if they have not been notified of their application status within forty (40) days of the date of application.

The LAA will convene an informal, face-to-face hearing with an applicant/client when an applicant/client requests such a hearing, or when the LAA deems such a hearing to be necessary.

Within twenty (20) working days of receiving an appeal, the LAA must:

1. Schedule a hearing if a hearing has been requested by the applicant/client or has been deemed necessary by the LAA. Notice establishing the date, time and location of the hearing shall be sent to the applicant/client or the applicant/client's representative.
2. In all other cases,
  - a. Review and reconsider the applicant's/client's application, including the possibility of obtaining additional income or other documentation;
  - b. Reach a decision on the case; and
  - c. Notify the applicant/client of the final decision in writing, along with notice of the applicant's/client's right to and procedures for appeal to DHCD.

Within ten (10) working days of a hearing, the LAA shall

1. Reach a decision on the case; and
2. Notify the applicant/client of the final decision in writing, along with notice of the applicant/client's right to and procedures for appeal to DHCD.

Appeals to DHCD of LAA decisions will be handled by DHCD's Appeals Officer. Applicants/clients must appeal, in writing, to DHCD within 20 working days of the final LAA decision that includes the notice of appeal rights. The Appeals Officer will review all applicant/client files and information pertinent to the appeal, and will notify the applicant/client and the LAA of the decision in writing (within 20 working days of receipt of the appeal). This decision will include notification to the applicant/client of the right to seek and the time for seeking judicial review of DHCD's decision.

The timeframe for filing appeals is:

- Appeals to Local Administering Agency - November 1, 2013 to June 27, 2014.
- Appeal to DHCD of an LAA Decision - November 1, 2013 to August 22, 2014.

#### → Denials

Denied applicants are afforded appeal rights except in the following circumstance.

#### → Applications Not Acted On In a Timely Manner

Applicants shall have a maximum of 30 days after the end of each year's heating season to complete an incomplete application. Applications that remain incomplete due to an applicant's inability to provide eligibility documentation shall be denied. Such denied applications may not be processed through the Appeal process.

statutory  
references

2605(b)(15)

**For States and Puerto Rico only** (not applicable to Tribes and tribal organizations, or to territories whose annual regular LIHEAP allotments are \$200,000 or less):

→ Does the State agency that administers the following LIHEAP component also administer the State's welfare program?

(alternate  
outreach  
and intake)

#### **HEATING ASSISTANCE**

\_\_\_\_\_ Yes ☒ No

If Yes, describe alternate process for outreach and intake:

**COOLING ASSISTANCE N/A**

\_\_\_\_\_ Yes \_\_\_\_\_ No

If Yes, describe alternate process for outreach and intake:

**CRISIS ASSISTANCE**

\_\_\_\_\_ Yes ☒ No

If Yes, describe alternate process for outreach and intake:

**REDUCTION OF HOME ENERGY NEEDS**

statutory  
references

2605(b)(16)

➔ Do you use LIHEAP funds to provide services that encourage and enable households to reduce their home energy needs and thereby the need for energy assistance? (This assurance refers to activities such as needs assessments, counseling, and assistance with energy vendors.)

☒ Yes \_\_\_\_\_ No

If Yes, please describe these activities.

- Needs assessment (including consumption data collection),
- Counseling,
- Assistance with energy vendors (shut offs, arrearages management, budget plans)
- FastTrack emergency service, and
- Referral to energy conservation services including utility conservation and non-LIHEAP programs

If Yes, how do you ensure that you don't use more than 5% (statutory ceiling) of your LIHEAP funds for these activities?

DHCD allocates a fixed amount of LIHEAP funds to Subgrantee agencies for this purpose. Each Subgrantee agency's Contract budget includes this amount.

## **LEVERAGING**

statutory  
references

2607A (leveraging) ➔ Please describe leveraging activities planned for the fiscal year. **(This entry is optional.)\*** Complete this entry if you plan to apply for LIHEAP leveraging incentive funds and to include in your leveraging report resources/benefits provided to low income households this fiscal year under criterion (iii) in 45 CFR 96.87(d)(2). Provide the following information for each:

- (1) Identify and described each resource/benefit;
- (2) Identify the source(s) of each resource; and
- (3) Describe the integration/coordination of each resource/benefit with the LIHEAP program, consistent with 1 or more of conditions A-H in 45 CFR 96.87(d)(2)(iii).

Although LIHEAP is a federal block grant program, the Massachusetts State Legislature from time to time has allocated supplemental funds to provide home energy assistance to income eligible households. Due to passage of the Green Communities Act, DHCD is now required to submit a Legislative Report to the Joint Committee on Telecommunication and Utilities by October 1 of each year to recommend the need for supplemental LIHEAP funds.

DHCD has identified and developed a wide range of other non-federal resources that supplement energy benefits for low-income households. These benefits are offered in the form of savings, discounts, and direct energy assistance.

The income eligibility for these programs may vary. All participating households would qualify under federal income guidelines for LIHEAP. The following are brief descriptions of the primary resources that are integrated into the LIHEAP program, directly or indirectly:

### **Margin-Over-Rack and CAI Oil Discount Programs**

DHCD developed the MOR program to provide home energy discounts through establishment of a maximum per gallon price for heating oil for all LIHEAP households. It calculates the weekly maximum price based on daily Rack prices and issues it to the local Subgrantee agencies operating the MOR program.

Oil vendors are required by their vendor agreement to submit delivery tickets with their current retail price. This information is entered into each Subgrantee's database. The software programs used by Subgrantee agencies are designed to compare the retail price of oil and the MOR price for the date of delivery. The lesser of the two is paid to the vendor. The difference between the two is considered the savings generated or leveraged resources. Both prices are maintained in the database for reporting purposes. Subgrantee agencies provide DHCD with an annual report

detailing the amount of gallons delivered to households, the actual retail price for the oil delivered, the MOR price paid for the deliveries, and the difference or savings by vendor.

In eleven (11) cities and towns in Northeastern Massachusetts, home energy discounts are achieved through a competitive bidding process for oil deliveries to LIHEAP households. Successful bidders agree to make delivery to LIHEAP households based on a set margin above the average wholesale price of oil. Similar to the MOR program, Community Action, Inc. (CAI) calculates the weekly bid price from daily average terminal prices. There is a similar process for kerosene in six (6) cities and towns served by CAI where kerosene is widely used.

Clients are not required to accept delivery from a participating “bid vendor.” If they choose to take delivery from another vendor, benefits are paid directly to the client based on the Bid Price regardless of the price charged by the vendor. Pricing information from these vendors is maintained on file.

The savings are calculated by comparing the average retail price per gallon with the average bid price per gallon to achieve an average savings per gallon.

#### Low-Income Utility Discount Rates

DHCD supports low-income utility discount rates for LIHEAP clients and other low-income households.

The investor-owned gas and electric utilities in Massachusetts offer lower rates to public assistance, LIHEAP, and/or other limited income households. All households eligible for the discount are eligible under the federal standards set by section 2605(b)(2) of Public Law 97-35 (42 USC 8624(b)(2)). DHCD and the local fuel assistance network have been instrumental in the introduction of these rates via negotiation/participation in the Department of Public Utilities (DPU) proceedings as well as advocating with individual utilities. The network also plays a large part in the enrollment and certification of fuel assistance households to receive benefits for utility discount rates.

In Fiscal Year 2013, Utility companies reported a total of \$104.88 million in leveraged resources through the Low Income Utility Discount Rates program.

#### Combined Fuel Funds

Many LIHEAP provider agencies have developed combined fuel funds to assist those customers who exhaust their regular LIHEAP benefit. Subgrantees such as Valley Opportunity Council, Inc. (VOC); South Shore Community Action Council, Inc. (SSCAC); Worcester Community Action Council, Inc. (WCAC); Self-Help, Inc. (SHI); Citizens for Citizens, Inc. (CFC); Action, Inc. (Action); Community Action for Franklin, Hampshire and North Quabbin Region, Inc. (CA); Greater Lawrence Community Action Council, Inc. (GLCAC); North Shore Community Action Programs, Inc. (NSCAP) and South Middlesex Opportunity Council, Inc. (SMOC); all reported different types of local funds from sources such as Massachusetts Association for Community Action, Citizens Oil, CAA fundraising, private foundation and corporate donations.

#### United Way Special Fund

Another resource comes from the Special Fund operated by the United Way of Massachusetts Bay. Allotted funds can assist households with energy emergencies in the form of oil deliveries or utility payments. There were no income restrictions in place during Fiscal Year 2010; however, households at or below 60% of the State's median income were served through LIHEAP Subgrantees as LIHEAP benefit dollars were not sufficient to meet their home energy needs. The referrals are made by the 22 LIHEAP Subgrantee agencies. A few of those agencies also operated the program locally.

#### Weatherization Support

DHCD counted resources contributed to weatherization and energy conservation programs as a supplement to DOE/LIHEAP efforts. These include in-kind contributions and funding from utility companies, property owners and contractors. The resource is available throughout the State and operated through the Subgrantee agencies operating the LIHEAP/WAP programs.

The eligibility level for households is 60% of the estimated State Median Income for electric and gas utilities. Supported activities include comprehensive building shell and heating system related residential energy efficiency measures including, attic and sidewall insulation, blower door guided air sealing, health and safety measures, and heating system replacements.

DHCD shall continue to collect leveraging information from its partners, especially utility companies, Subgrantee agencies, and the United Way.

\* Leveraged resources/benefits that are counted under criterion (iii) in 45 CFR 96.87(d)(2) must be identified and described in the grantee's LIHEAP plan and distributed as indicated in the plan. In addition, leveraging resources/benefits that are counted under criterion (ii) must be carried out under one or more components of the grantee's regular LIHEAP program.

statutory  
references

2605(b)                      ➔ Please describe performance goals and measures planned for the fiscal year. **(This entry is optional.)**

(performance)  
goals and  
measures)

DHCD in cooperation with its Subgrantees, has implemented an outcome measurement process to demonstrate the impact of LIHEAP on the low-income Massachusetts residents. As outlined in the Federal Register Notice, Vol.78, No. 109, entitled, Annual Collection of Three Performance Measures for the Low Income Home Energy Assistance Program (LIHEAP) and Transition of Collection Instrument for Annual Report on Households Assisted and LIHEAP Grantee Survey, DHCD shall develop a process to accurately collect and report corresponding data to the Division of Energy Assistance, Office of Community Services of the U.S. Department of Health and Human Services.

At the beginning of the program year, each Subgrantee agency is now required to set targets utilizing the LIHEAP Performance Measures. Results are tracked by Subgrantees and reported to DHCD at the end of the contract year. These measures range from tracking simple client output data, such as number of low-income households served, to a more complex performance outcome, e.g., number of high consumption households realizing a reduction in energy burden as a result of receiving LIHEAP assistance or benefit. Subgrantee outreach is tracked by measuring increases in vulnerable LIHEAP population. Increases in agency capacity is be tracked by measuring an agency's ability to process applications prior to the beginning of the program year.

During Fiscal Year 2014, DHCD shall continue to sponsor the LIHEAP Performance Work Group to realign its existing outcome measurement process in accordance with standards established by the HHS sponsored LIHEAP Performance Measures Implementation Work Group (PMIWG). When needed, representation from other stakeholders such as utility companies and the LIHEAP software vendor is also sought. To date, DHCD has hosted several Webinars on LIHEAP Performance and Program Integrity Measures and held on-site meetings.

Recommendations received during those meetings are being considered in developing DHCD's Performance Measures and Program Integrity business rules. Besides stakeholder participation, the implementation plan developed in Fiscal Year 2013, involves the following two areas:

#### Data Collection Process

DHCD has introduced a performance measures data collection process for obtaining information from LIHEAP contracted energy vendors regarding home energy consumption, service interruptions, re-connections, and client payment history. It is DHCD intention to phase-in both mandated and optional data collection process in Fiscal Year 2014 in order to build capacity so that the Commonwealth complies with the anticipated future mandate from HHS in FY 2014 and beyond. Once fully implemented, in addition to reporting this information to HHS, DHCD will



be able to include such information in its various reports that it prepares from time to time. DHCD will continue working with energy vendors in Fiscal Year 2014 to design an acceptable reporting template to ensure compliance with HHS requirements.

#### Reporting System

DHCD shall enhance its E-Gov. system to allow periodic submission of LIHEAP Performance Measures data from Subgrantee agencies.

Continued involvement with the LIHEAP Performance Measures Implementation Work Group (PMIWG) and the Massachusetts Performance Group is needed to fully implement the following LIHEAP Performance Measures (subject to further modifications):

#### **Energy Assistance Measures**

TIER 1	Measure
Measure 1	Number of households who received energy assistance.
Measure 2	Number of households who received crisis assistance.
Measure 3	Percent of state's income eligible population who received LIHEAP services

#### **Energy Services Measures**

TIER 1	Measure
Measure 1	Number who received new heating equipment (install/replace) using LIHEAP funds.
Measure 2	Number who received heating equipment repair using LIHEAP funds.
Measure 3	Number of home weatherized using LIHEAP funds.

#### **Client Services Measures**

TIER 1	Measure
Measure 1	Number who receive energy education using LIHEAP funds.
Measure 2	Number who receive referrals for other non-energy services.
Measure 3	Total additional resources leveraged with LIHEAP (including federal and non-federal)

#### **Energy Assistance Measures**

TIER 2	Measure
Measure 1	Household energy burden is reduced.
Measure 2	Home energy crises are prevented.
Measure 3	Home energy is restored.

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**Energy Services Measures**

TIER 2	Measure
Measure 1	Energy costs are reduced through weatherization.

**Client Services Measures**

TIER 2	Measure
Measure 1	Household report learning how to use energy more effectively after energy education.
Measure 2	Household benefit from energy advocacy.
Measure 3	Household benefit from value added resources.

**Energy Assistance Measures**

TIER 3	Measure
Measure 1	Households make payments for energy bills with increased consistency
Measure 2	Households lowered or maintained arrearages and fewer households are in arrears.
Measure 3	Reduced in number of service interruptions after receiving benefits

**Energy Services Measures**

TIER 3	Measure
Measure 1	Heating equipment operates properly one year after repair or replacement.
Measure 2	Homes actually use less energy during the year after repair or replacement.

**Client Services Measures**

<b>TIER 3</b>	<b>Measures</b>
Measure 1	Residents change how they use energy.
Measure 2	Households maintained a payment program.
Measure 3	Households make payments for energy bills with increased consistency.
Measure 4	Households lowered or maintained arrearages and fewer households are in Arrears
Measure 5	Reduced number of services interruptions after receiving benefits.

**Targeting Performance Measures**

<b>Targeting</b>	<b>Measure</b>
Measure 1	Ratio of the percentage of households served who are elderly to percentage of eligible households who are elderly.
Measure 2	Ratio of the percentage of young child households served to the percentage of eligible child households.
Measure 3	Ratio of the percentage of disabled households served to the percentage of disabled households.
Measure 4	Percentage who received energy assistance in each income group.

**Timeliness Performance Measures**

<b>Timeliness</b>	<b>Measures</b>
Measure 1	Percentage of households who receive benefits within state-determined timeliness.
Measure 2	Percentage of clients who were disconnected after application, before benefits and had notice prior to application.

**Client Satisfaction Performance Measures**

<b>Satisfaction</b>	<b>Measures</b>
Measure 1	Percentage of formal administrative complaints filed year.
Measure 2	Percentage reporting satisfaction with program 1 year after receiving benefits.

Note: In Massachusetts, LIHEAP funds are used for heating system repair, replacements, and clean and tune services.

**ADDITIONAL CERTIFICATIONS AND REQUIREMENTS**

Attached are additional certifications required as follows:

- \* **Lobbying certification**, which must be filed by all States and territories. If applicable, Form LLL, which discloses lobbying payments, must be submitted. **(Tribes and tribal organizations are EXEMPT.)**
- \* **Debarment and suspension certification**, which must be filed by all grantees.
- \* **Drug-free workplace requirement certification**, which must be filed by all grantees, unless the grantee has filed a statewide certification with the Department of Health and Human Services. **STATES ONLY:** If you have filed a statewide certification for the drug-free workplace requirement, please check here: \_\_\_\_\_
- \* One of the requirements included in the 1994 reauthorization of the statute is that state grantees must include in their annual application for funds a report on the number and income levels of households applying for and receiving LIHEAP assistance, and on the number of recipient households that have members who are elderly, disabled, or young children.  
  
**All Tribes and those territories with allotments of less than \$200,000** need only submit data on the number of households served by each component (heating, cooling, weatherization and crisis). The approval for the collection of information contained in the **LIHEAP Household Report** is covered by OMB approval number 0970-0060.
- \* Though not a part of this application, the report on funds to be carried over or available for reallocation as required by section 2607(a) for the preceding year must be submitted by August 1 of each year. A grant award for the current fiscal year may not be made until the carryover/reallocation report is received. The approval for the collection of information contained in the **LIHEAP Carryover and Reallocation Report** is covered by OMB approval number 0970-0106.